	<b>REQUEST FOR QUOTATION</b> <b>HQ841054</b>	<b>ARIZONA DEPARTMENT OF HEALTH SERVICES</b> 1740 W. Adams Phoenix, AZ 85007 Phone: (602) 542-1040 Fax: (602) 542-1741
	<b>Quotations are due by 3:00 P.M., Local Time</b> <b>August 9, 2007</b>	Date: July 25, 2007

**VENDOR NOTICE**

**THIS IS NOT A PURCHASE ORDER**

The terms and conditions attached to this form should be reviewed and understood before preparing a quotation. The Uniform Terms and Conditions and Uniform Instructions to Offerors are incorporated into this document by reference, and may be obtained by visiting: <http://www.azeps.az.gov/PoliciesDocuments/terms/UIOV7.pdf> for the Instructions, <http://www.azeps.az.gov/PoliciesDocuments/terms/UTCv7.pdf> for the Terms and Conditions.

In accordance with Arizona Revised Statute 41-2535(B), this purchase is restricted to small businesses, if practicable. By signing this form, the Offeror self certifies that it is a small business as defined above. Please check as many as applicable:

\_\_\_\_ I certify that my company is a Small Business. A Small Business is defined as a company having fewer than one hundred (100) employees or less than four million dollars (\$4,000,000) in gross receipts.

\_\_\_\_ I certify that my company is a Woman-Owned Business Enterprise (WBE). A WBE is defined as an enterprise where a woman owns at least fifty-one percent (51%) of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

\_\_\_\_ I certify that my company is a Minority-Owned Business Enterprise (MBE). An MBE is defined as an enterprise where an ethnic minority owns at least fifty-one percent (51%) of the business. The owner(s) must have the day-to-day control of the firm and have experience and expertise in the firm's primary area of operation. The owner(s) must hold a proportionate share of the business capital, assets, profits and losses commensurate with their ownership interest.

<b>Submittal Location:</b> 1740 West Adams, Room 303 Phoenix, AZ 85007	<b>Delivery / Pick Up Location:</b> 2500 East Van Buren Street Phoenix, AZ 85008	<b>Procurement Specialist:</b> Rebecca O'Brien Phone: (602)364-2116 Fax: (602) 542-1741 Email: obrienr@azdhs.gov
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Item	Description	Unit Price
1	Software	\$ _____
2	Upgrades	\$ _____
3		\$ _____
4		\$ _____

<b>State Hospital is</b>	
<b>Tax-Exempt :</b>	\$ 0.00
<b>Total:</b>	\$ n/a

**THIS SECTION MUST BE COMPLETED BY VENDOR**

Company Name	Address	City	State	Zip Code	Phone No.	Fax No.
<div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div>_____ Signature</div> <div>_____ Date</div> <div>_____ Typed Name and Title</div> </div>						

Procurement Administrator: \_\_\_\_\_

Date: \_\_\_\_\_

# **SPECIAL TERMS AND CONDITIONS**

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### **1. PURPOSE**

Pursuant to provisions of the Arizona Procurement Code, A.R.S. ' 41-2501 Et Seq., Arizona Department of Health Services intends to establish a contract to provide a Timekeeping and Scheduling system for the Arizona State Hospital in accordance with the terms and conditions outlined in this RFQ.

### **2. TERM OF CONTRACT (1 YEAR)**

The term of the resultant contract shall commence upon award of and signature by the Procurement Administrator, and shall remain in effect for one year, unless terminated, canceled, or extended as otherwise provided herein.

### **3. CONTRACT EXTENSIONS (4 YEAR MAXIMUM)**

The Department may, by mutual written Contract amendment, extend any resultant Contract in twelve (12) month increments for a maximum of four (4) years. The Contract term shall not exceed a total of five (5) years from the date of Contract award, or \$50,000, whichever comes first.

### **4. CONTRACT TYPE**

☒ Fixed Price

### **5. PRICE INCREASE/PRICE DECREASE**

Contractor prices accepted and subsequently awarded by a contract in response to this RFQ shall remain in effect for a minimum of one (1) year. The Contractor may request a price adjustment, but the State will not review or approve an increase until the contract has been in effect for one (1) year. The Hospital and the Office of Procurement will review any requested rate increase to determine whether such request is reasonable in relation to increased supplier or material costs. Contractor shall provide written justification for any price adjustment requested. Any price increase adjustment, if approved, will be effective upon execution of a written contract amendment.

Likewise, the Contractor shall offer the State a price adjustment reduction concurrent with reduced costs from their suppliers. Price reductions will become effective upon execution of a contract amendment.

### **6. NEW/ADDITIONAL EQUIPMENT**

The Arizona State Hospital and the potential Contractor may, via mutually agreed written contract amendment, request the incorporation of additional equipment to the contract. Pricing for additional equipment shall be commensurate with existing prices/discounts on the contract Price Sheet.

### **7. LICENSES**

The Contractor shall obtain and maintain in current status, all required federal, state, county, city and local licenses, permits or certifications for the Contractor, their employees and Subcontractors required for the operation of the business conducted by the Contractor. Within ten (10) days of contract award, the Contractor shall provide a list of all licenses and certifications they hold.

### **8. NON-EXCLUSIVE CONTRACT**

Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

### **9. INFORMATION DISCLOSURE**

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to

# **SPECIAL TERMS AND CONDITIONS**

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employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the State.

### **10. EMPLOYEES OF THE CONTRACTOR**

All employees of the Contractor employed in the performance of work under the contract shall be considered employees of the Contractor at all times, and not employees of the Hospital, ADHS or the state. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

### **11. POLICIES AND PROCEDURES**

The Contractor is required to have a Policies and Procedures manual that pertains to the services that are to be provided to the Hospital. Additional Policies and Procedures may need to be developed in conjunction with the Hospital. After contract award the Hospital will work with the Contractor to develop any that may be required.

### **12. SELF-INSPECTION AND QUALITY CONTROL**

The Contractor is required to have a plan for self-inspection and quality control for all assigned tasks. The Contractor shall be able to demonstrate that requested work has been completed in a timely and quality conscious manner. Upon contract award, the Contractor shall submit a copy of their plan.

### **13. PERSONNEL**

It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must agree to assign specific individuals to the key positions.

### **14. VENDOR PERFORMANCE REPORTS**

Hospital management shall document vendor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the ADHS Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the Contract Manager for Hospital approval of the plan.

### **15. FEDERAL IMMIGRATION LAWS, COMPLIANCE BY STATE CONTRACTORS**

By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV

The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

### **16. OFFSHORE PERFORMANCE OF WORK PROHIBITED**

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead"

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services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

### 17. INDEMNIFICATION CLAUSE

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

*This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*

### 18. INSURANCE REQUIREMENTS

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

**A. MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

#### 1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

- |  |             |
|--|-------------|
| • General Aggregate                                | \$1,000,000 |
| • Products – Completed Operations Aggregate        | \$ 500,000  |
| • Personal and Advertising Injury                  | \$ 500,000  |
| • Blanket Contractual Liability – Written and Oral | \$ 500,000  |
| • Fire Legal Liability                             | \$ 25,000   |
| • Each Occurrence                                  | \$ 500,000  |

- a. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor"***.
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

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### 2. Worker's Compensation and Employers' Liability

Workers' Compensation

Statutory

Employers' Liability

Each Accident	\$ 100,000
Disease – Each Employee	\$ 100,000
Disease – Policy Limit	\$ 100,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, and when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**B. ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

**C. NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **The Arizona Department of Health Services, 1740 West Adams, Phoenix, AZ 85007** and shall be sent by certified mail, return receipt requested.

**D. ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

**E. VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **The Arizona Department of Health Services, 1740 West Adams, Phoenix, AZ 85007**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

**F. SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

**G. APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

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- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

### **19. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996**

If applicable, the State may require the Contractor and any Subcontractor's to attest to the following:

The Contractor warrants that it is familiar with the requirements of HIPAA and HIPAA's accompanying regulations and will comply with all applicable HIPAA requirements in the course of this contract. Contractor warrants that it will cooperate with the State in the course of performance of the contract so that both the State and Contractor will be in compliance with HIPAA, including cooperation and coordination with the State's privacy officials and other compliance officers required by HIPAA and its regulations. Contractor will sign and date any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including, but not limited to, individualized Business Associate Agreements.

If requested by the State, Contractor agrees to sign the State agency's confidentiality statement and to abide by the statements in the form addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other sensitive information. In addition, Contractor agrees to attend or participate in HIPAA training offered by the State or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA privacy officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the State agency's HIPAA Privacy Compliance Officer.

### **20. HIPAA BUSINESS ASSOCIATE AGREEMENT**

Included as an attachment to this Contract is a Health Insurance Portability and Accountability Act of 1996 (HIPAA) Business Associate Agreement (HIPAA BAA). Before the general Contract may be awarded to the Contractor or approved for execution by the State the Contractor must agree to execute the attached agreement or negotiate and agree to execute an agreement with terms that, in the minimum meet the requirements of the Privacy and Security Regulations, 45 CFR 164.504(e)(2) and 164.314(2)(i), and that are approved by ADHS. This Agreement binds the Contractor to comply with the requirements of HIPAA in safeguarding protected health information that is disclosed, used, created or received by the Contractor for or on behalf of the ADHS. If the Contractor violates the HIPAA BAA during the term of this Contract, the Contractor will be in default under the terms of this Contract, and the State may exercise any of its rights and remedies available to it.

### **23. PANDEMIC CONTRACTUAL PERFORMANCE**

1. The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include:
  - a. Key succession and performance planning if there is a sudden significant decrease in contractor's workforce.
  - b. Alternative methods to ensure there are products in the supply chain.
  - c. An up to date list of company contacts and organizational chart.
2. In the event of a pandemic, as declared the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:
  - a. After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections, if the contractor cannot perform to the standards agreed upon in the initial terms.
  - b. The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. 41-2537 of the Arizona Procurement Code.

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- c. Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion, may reinstate the temporarily voided contract(s).

# SCOPE OF SERVICES

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### 1. BACKGROUND

The Arizona State Hospital (Hospital) is a unit of the Division of Behavioral Health Services (BHS) of the Arizona Department of Health Services (ADHS). It is established and operated under A.R.S. 36-202 "for the care and treatment of persons with mental disorders and persons with other personality disorders or emotional conditions who will benefit from care and treatment."

The Hospital provides treatment and rehabilitative services to the most severely mentally ill persons in the state. This is a court-ordered and civil-committed treatment center. Individuals must be suffering from a behavioral health illness, which has severely impaired their functioning and ability to live within their family and community. The Hospital's current population is approximately 275 patients.

The Arizona State Legislature enacted A.R.S. 36-3701 in the 1997 legislative session requiring the housing of "sexually violent persons" (SVP) at the Arizona State Hospital in the Arizona Community Protection and Treatment Center (ACPTC) program.

ACPTC provides for a secure treatment environment for sexually violent persons ("residents") who have been determined to have a mental disorder and need to be committed to protect the health and safety of others in the community. The ACPTC's current population is approximately 100 residents.

The Hospital and ACTPC are located at 2500 East Van Buren Street, Phoenix, Arizona 85008. The Hospital and ACPTC operate twenty-four hours (24) per day, three hundred sixty-five (365) days per year.

### 2. OBJECTIVE

The Arizona State Hospital and the ACPTC are seeking a comprehensive time capture and scheduling system to help manage the work flow and varied job skills of the more than 700 employees who provide care to patients/ residents 24 hours a day, 7 days a week. The Hospital and ACPTC are seeking the best system at the most economical cost to provide the maximum value to the taxpayers of Arizona.

### 3. SERVICE RECIPIENT

Arizona State Hospital.

### 4. SPECIFICATIONS

- 4.1 Microsoft Based
- 4.2 Browser Based
- 4.3 Security adequate to protect staff from Identity theft
- 4.4 Both systems should have an easy to use, intuitive user interface

The Scheduling system should allow supervisors to;

- 1. Create rolling schedules for each shift and discipline in their department.
- 2. Record actual shift activity to track employee absences.
- 3. Split shifts, double shifts and shift changes whenever necessary.
- 4. Have multi-user access, allowing multiple supervisors to work on scheduling simultaneously.
- 5. Define shift codes to allow the tracking of scheduled and unscheduled time off.
- 6. View the rolling schedule by Location, Department, Department Class or Group.
- 7. View the entire schedule and sort by Department or Employee Name.
- 8. View daily shift detail for each employee, including name, department and shift.
- 9. Produce pre-programmed reports.
- 10. Interface with the time collection system, passing sick time, annual leave and other attendance records to the time collection system.

The Time collection system should:

- 1. Allow time entry through various means, i.e. Touch Screen, Biometric, and desk top PC.
- 2. Provide a variety of reports that can be accessed at any time.
- 3. Supply a compatible interface to the Lawson Payroll.
- 4. Have the ability to communicate messages to employees at the time of clock in/out.
- 5. Allow user-defined rules for time clock parameters (i.e. early clock-in procedure)
- 6. Offer access to historical pay periods.



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7. Allow supervisor access to review or edit hours on time cards.
8. Make online supervisor approvals available.
9. Should be fully integrated with the scheduling system with the capability to match those clocked in with those that are scheduled to work.

### **5. REFERENCE DOCUMENTS**

The following documents are available for review at the ADHS Procurement Office or via Internet links, as noted:

- 5.1 Hospital Policies and Procedures Manual, sections specific to this Contract
- 5.2 ACPTC Policies and Procedures Manual, sections specific to this Contract
- 5.3 Vendor Performance Report
- 5.4 JCAHO Procedures – are available for purchase from Joint Commission Resources @ <http://www.jcrinc.com/publications.asp?durki=77#hosplink>
- 5.5 Medicare State Operations Manual: [http://www.cms.hhs.gov/manuals/107\\_som/som107ap\\_a\\_hospital.pdf](http://www.cms.hhs.gov/manuals/107_som/som107ap_a_hospital.pdf)
- 5.6 Hospital Licensing: [http://www.azsos.gov/public\\_services/Title\\_09/9-10.htm](http://www.azsos.gov/public_services/Title_09/9-10.htm)
- 5.7 Behavioral Health Services Licensure: [http://www.azsos.gov/public\\_services/Title\\_09/9-20.htm](http://www.azsos.gov/public_services/Title_09/9-20.htm)
- 5.8 Code of Federal Regulations (CFR) Title 29, part 1910.1030  
[http://www.osha.gov/pls/oshaweb/owadisp.show\\_document?p\\_table=STANDARDS&p\\_id=10051](http://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=10051)

### **6. REQUIREMENTS**

6.1 The Contractor shall perform all services in accordance with all rules and regulations as stipulated by Joint Commission, CMS, State Licensure, Office of Behavioral Health, OSHA, EPA, Maricopa County, City of Phoenix, all federal and county rules, Hospital Policies and Procedures, HIPAA regulations and executed contract.

6.2 Contractor shall provide necessary training.

6.3 Contractor shall obey all posted speed limits on Hospital grounds.

6.4 No cameras, including cell phones with built-in cameras, are permitted on Hospital property.

6.5 The Hospital grounds are drug-, alcohol- and tobacco-free.

6.6 No firearms are permitted on Hospital property.

### **7. ADDITIONAL REQUIREMENTS AT CONTRACT AWARD**

Items to be provided by the Contractor as required under the Special Terms and Conditions within ten (10) days of contract award, and upon request through the term of the contract.

- 7.1 Licenses and certifications
- 7.2 Certificate of Liability Insurance
- 7.3 State of Arizona Substitute W-9 Form

### **8. APPROVALS**

Approvals of all services, reports, and invoices will be given by the Hospital project Manager prior to payments made on services.

### **9. NOTICES, CORRESPONDENCE, REPORTS, INVOICES AND PAYMENTS**

Invoices for services performed are due to the Hospital Business Manager within thirty (30) days after the end of each month and shall specify dates and number of hours (if applicable) that services were rendered.

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Each invoice shall be for the full calendar month, for example June 1<sup>st</sup> through June 30<sup>th</sup>.

Invoices for the Hospital shall be sent to the following address:

Arizona State Hospital  
Business Manager  
2500 East Van Buren Street  
Phoenix, Arizona 85008

Invoices shall be paid by ADHS within thirty (30) days following receipt of the invoice. In the case of any dispute regarding part of any invoice, ADHS shall pay the undisputed part according to the payment terms described above.

Notices, Correspondence, Reports and Payments from The Hospital to the Contractor shall be sent to:

Contractor \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_

**ATTACHMENT A**  
SOLICITATION NO: HQ841054

**HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT OF 1996 ("HIPAA")  
BUSINESS ASSOCIATE AGREEMENT ("AGREEMENT")**

The Arizona Department of Health Services or an Arizona Department of Health Services' Division, Bureau, Office, or Program and Business Associate hereby enter into this Agreement. The date when this Agreement is effective ("Effective Date") shall be determined according to Sections 164.534, 164.532(d), and 164.532(e) of the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and Part 164, Subparts A and E ("Privacy Standards"). This Agreement supplements any service agreement(s) ("Service Agreement(s)") between ADHS Covered Component and Business Associate relating to the disclosure of Protected Health Information ("PHI"). In the event of conflicting terms or conditions, this Agreement shall supersede the Service Agreement(s).

The ADHS Covered Component and Business Associate intend to comply with the Privacy Standards; the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C ("Security Standards"); HIPAA; and other applicable federal and state laws, in order to protect the privacy of PHI in any form and to safeguard the confidentiality, integrity, and availability of Electronic PHI ("ePHI") related to this Agreement.

A. **DEFINITIONS.** Capitalized terms not otherwise defined in this Agreement shall have the same meaning as in the Privacy Standards and the Security Standards.

B. **PERMITTED USES AND DISCLOSURES OF PHI.** Business Associate will Use and disclose PHI only for those purposes necessary to perform functions, activities, or services for, or on behalf of, ADHS Covered Component as specified in the underlying Service Agreement(s) and this Agreement, provided that any Use or Disclosure would not violate: the Privacy Standards, the Security Standards, or HIPAA, if done by ADHS Covered Component; or ADHS Covered Component's policies and procedures for using or disclosing only the Minimum Necessary PHI.

1. **Business Activities of Business Associate.** Business Associate may use PHI for the necessary management and administration of Business Associate, or to carry out the legal responsibilities of Business Associate if:

- a. The disclosure is Required by Law; or
- b. Business Associate obtains reasonable assurances from the person receiving the PHI that the person will:
  - (1) Maintain the Confidentiality of the PHI,
  - (2) Use or disclose the PHI only as Required by Law or for the purpose for which the PHI was disclosed to the person, and
  - (3) Notify Business Associate when the person becomes aware that PHI confidentiality has been breached.

2. **Aggregation of PHI.** Business Associate may aggregate the PHI in its possession with the PHI of other Covered Entities that Business Associate has in its possession through its capacity as a Business Associate of the other Covered Entities, provided that the purpose of the aggregation is to provide ADHS Covered Component with data analyses relating to the Health Care Operations of ADHS Covered Component. Business Associate shall not disclose PHI between or among Covered entities, unless ADHS Covered Component specifically authorizes the disclosure.

3. **De-Identification of PHI.** Under 45 CFR 164.502(d)(2), de-identified information does not constitute PHI and is not subject to the terms of this Agreement. Business Associate may de-identify any and all PHI, provided:

- a. The de-identification conforms to the requirements of 45 CFR Section 164.514(b),
- b. Business Associate maintains the documentation required by 45 CFR Section 164.514(b), and
- c. Business Associate gives written assurance to ADHS Covered Component that Business Associate appropriately maintains the documentation required by 45 CFR Section 164.514(b).

C. **OBLIGATIONS OF BUSINESS ASSOCIATE REGARDING PHI IN ANY FORM.**

1. **Safeguards.** Business Associate shall use appropriate safeguards to prevent any Use or Disclosure of PHI not otherwise

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permitted in this Agreement.

2. **Reporting Impermissible Use or Disclosure.** Recipient shall promptly report to the designated individual specified in the Notice Provision number “G” of this agreement. Any Use or Disclosure of any PHI not permitted by this Agreement or the Privacy Standards (“Impermissible Use or Disclosure”), upon becoming aware of such Use or Disclosure. Recipient agrees to mitigate, to the extent practicable, any harmful effect from an Impermissible Use or Disclosure known to Recipient or its agents or subcontractors.
3. **Agents and Subcontractors.** Business Associate shall ensure that any agent or subcontractor to whom Business Associate provides PHI agrees to all the PHI-related restrictions and conditions that apply to Business Associate through this Agreement. Business Associate shall maintain an accounting of all disclosures of PHI to agents or subcontractors as provided in this Agreement.
4. **Personnel.** Business Associate shall appropriately inform all of its employees, agents, representatives, and members of its workforce (“Personnel”), whose services may be used to satisfy Business Associate’s obligations under this Agreement and the Service Agreement(s), of the terms of this Agreement. Business Associate represents and warrants that the Personnel are under sufficient legal obligation to Business Associate for Business Associate to fully comply with the provisions of this Agreement.
5. **Access to PHI.** Within five (5) business days after a written request by ADHS Covered Component for access to PHI held by Business Associate in a Designated Record Set, Business Associate shall make the requested PHI available to ADHS Covered Component. If the requested PHI is stored off site, Business Associate shall make the PHI available to ADHS Covered Component within ten (10) business days, to allow ADHS Covered Component time to respond to a request for access by an Individual within 60 calendar days.

If an Individual requests access to PHI directly from Business Associate, Business Associate shall provide or deny access according to 45 CFR 164.524, unless otherwise directed by ADHS Covered Component. Business Associate shall notify ADHS Covered Component of the action taken in writing within five (5) business days after the action.

6. **Amendment of PHI.** Within five (5) business days after an Individual’s request to ADHS Covered Component to amend the Individual’s PHI held by Business Associate in a Designated Record Set, Business Associate shall provide the Individual’s PHI to ADHS Covered Component for amendment. If ADHS Covered Component requests Business Associate to amend an Individual’s PHI, Business Associate shall incorporate into the Individual’s PHI the amendment, any statements of disagreement, and/or rebuttals within a reasonable time, as required by 45 CFR Section 164.526.

If an Individual requests amendment of PHI directly from Business Associate, Business Associate shall amend or deny amendment according to 45 CFR 164.526, unless otherwise directed by ADHS Covered Component. Business Associate shall notify ADHS Covered Component of the action taken in writing within five (5) business days after the action.

7. **Documentation of Disclosures.** Business Associate agrees to document all Disclosures of PHI made by Business Associate as required for ADHS Covered Component to respond to a request by an Individual for an accounting of Disclosures of PHI according to 45 CFR Section 164.528. At a minimum, the documentation related to Business Associate’s Disclosure of PHI shall include:

- a. The date of Disclosure;
- b. The name of the PHI recipient and, if known, the address of the PHI recipient;
- c. A brief description of the PHI disclosed; and
- d. A brief statement of the purpose of the disclosure that reasonably informs the Individual of the basis for the Disclosure, or a copy of the Individual’s authorization, or a copy of the written request for Disclosure.

8. **Accounting of Disclosures.** Within ten (10) business days after notice by ADHS Covered Component to Business Associate that ADHS Covered Component has received a request for an accounting of Disclosures of an Individual’s PHI, Business Associate shall provide ADHS Covered Component with the Disclosure records stated in the notice. Business Associate shall provide Disclosure records for the six years before the date on which the Individual requested the accounting, but not for a date earlier than April 14, 2003, unless otherwise Required by Law.

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If an Individual requests an accounting of Disclosures directly from Business Associate, Business Associate shall, within sixty (60) business days, provide or deny an accounting according to 45 CFR 164.528, unless otherwise directed by ADHS Covered Component. Business Associate shall notify ADHS Covered Component of the action taken in writing within five (5) business days after the action. The accounting of Disclosures shall include all PHI Disclosures for the six years before the date on which the Individual requested the accounting, but not for a date earlier than April 14, 2003, unless otherwise Required by Law. If Business Associate is unable to provide the accounting of Disclosures within the allowed time, Business Associate shall provide ADHS Covered Component with a written statement of the reason for delay and the date Business Associate will provide the accounting.

9. **Governmental Access to Records.** For the purpose of determining ADHS Covered Component's compliance with the Privacy Standards, Business Associate shall make available to ADHS Covered Component or to the Secretary:
- Business Associate's internal practices, books, and records relating to the Use and Disclosure of PHI;
  - Business Associate's policies and procedures relating to the Use and Disclosure of PHI; and
  - All PHI received from ADHS Covered Component or created or received by Business Associate on behalf of ADHS Covered Component.

This provision does not constitute a waiver by ADHS Covered Component of any attorney-client privilege or other legal privilege.

10. **Transaction Standards Regulation.** If Business Associate conducts in whole or part Standard Transactions for or on behalf of ADHS Covered Component, Business Associate shall comply with the Electronic Data Transaction Standards and Code Sets, 45 CFR Part 162, Subparts I through R ("Transaction Standards and Code Sets"). Business Associate shall require any subcontractor or agent involved in conducting Standard Transactions for or on behalf of ADHS Covered Component, to comply with the Transaction Standards and Code Sets. Business Associate and its subcontractors or agents shall not enter into any agreement related to conducting in whole or in part Standard Transactions for or on behalf of ADHS Covered Component that:
- Changes the definition, Data Condition, or use of a Data Element or Segment in a Standard Transaction;
  - Adds any Data Elements or Segments to the maximum defined Data Set;
  - Uses any code or Data Element that is marked "not used" in the Standard Transaction's implementation specification or that is not in the Standard Transaction's implementation specification; or
  - Changes the meaning or intent of the Standard Transaction's implementation specification.

### D. **OBLIGATIONS OF BUSINESS ASSOCIATE REGARDING ePHI.**

- Safeguards.** Business Associate shall implement Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the Confidentiality, Integrity, and Availability of the ePHI that Business Associate creates, receives, maintains, or transmits on behalf of ADHS Covered Component.
- Agents and Subcontractors.** Business Associate shall ensure that any agent or subcontractor to whom Business Associate provides ePHI agrees to implement reasonable and appropriate safeguards to protect the Confidentiality, Integrity, and Availability of the ePHI.
- Report of Security Incident.** Business Associate shall promptly report to ADHS Covered Component any Security Incident of which Business Associate becomes aware that involves ePHI created, received, maintained, or transmitted by Business Associate.
- Governmental Access to Records.** Business Associate shall make its policies, procedures, and the documentation required by the Security Standards available to ADHS Covered Component and to the Secretary for purposes of determining ADHS Covered Component's compliance.
- Termination Authorized.** Business Associate agrees that ADHS Covered Component may terminate this Agreement if ADHS Covered Component determines that Business Associate has violated a material term of this Agreement related to

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the Security of ePHI.

**E. OBLIGATIONS OF ADHS COVERED COMPONENT.**

1. **Notice of Privacy Practices.** ADHS Covered Component shall notify Business Associate of any changes or limitation(s) in ADHS Covered Component's Notice of Privacy Practices according to 45 CFR Section 164.520, to the extent that such changes or limitation(s) may affect Business Associate's Use or Disclosure of PHI.
2. **Changes in Permission by Individual.** ADHS Covered Component shall notify Business Associate of any changes in, or revocation of, an Individual's permission to use or disclose PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.
3. **Restrictions on PHI.** ADHS Covered Component shall notify Business Associate of any restriction of PHI Uses and Disclosures that ADHS Covered Component has agreed to in accordance with 45 CFR Section 164.522, to the extent that such restriction may affect Business Associate's PHI Use or Disclosure.
4. **Permissible Requests by ADHS Covered Component.** ADHS Covered Component shall not request Business Associate to use or disclose PHI in any manner not permitted under the Privacy Standards if done by ADHS Covered Component.

**F. TERM AND TERMINATION**

1. **Term.** The term of this Agreement shall begin on the Effective Date and shall terminate when all PHI provided by ADHS Covered Component to Business Associate, or created or received by Business Associate on behalf of ADHS Covered Component, is destroyed or returned to ADHS Covered Component. If it is not feasible for Business Associate to return or destroy all PHI, the term of this Agreement shall terminate, except to the extent protections are extended to any PHI not returned or destroyed, according to the provisions in Section F(2)(c).
2. **Effect of Termination.**
  - a. Except as provided in paragraph (c) of this Subsection, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from ADHS Covered Component, or created or received by Business Associate on behalf of ADHS Covered Component.
  - b. This provision shall apply to PHI in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the returned or destroyed PHI.
  - c. If Business Associate determines that returning or destroying PHI is not feasible, Business Associate shall provide to ADHS Covered Component notification of the conditions making return or destruction not feasible. Business Associate shall extend the protections of this Agreement to the PHI and shall limit further Uses and Disclosures of the PHI to the purposes that make the return or destruction not feasible, for so long as Business Associate maintains the PHI. If it is not feasible for Business Associate to recover from a subcontractor or agent any PHI, Business Associate shall provide a written explanation to ADHS Covered Component. Business Associate shall require the subcontractor or agent to agree:
    - (1) To extend the protections of this Agreement to the PHI in the possession of the subcontractor or agent, and
    - (2) To limit any further Uses or Disclosures of the PHI to the purposes that make the return or destruction not feasible, for so long as the subcontractor or agent maintains the PHI.
3. **Termination for Cause.** Upon ADHS Covered Component's knowledge of a material breach by Business Associate of the terms of this Agreement, ADHS Covered Component shall:
  - a. Terminate this Agreement and the underlying Service Agreement(s) if Business Associate does not cure the breach or end the violation within the time specified by ADHS Covered Component;
  - b. Immediately terminate this Agreement and the underlying Service Agreement(s); or
  - c. Report the violation to the Secretary if:

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- (1) Termination is not feasible, and
- (2) Business Associate does not cure the breach or end the violation within the time specified by ADHS Covered Component.

**G. NOTICES**

All notices or other communications by either party to the other hereunder shall be in writing and shall be deemed properly delivered (i) when received by the party; or (ii) three (3) days after deposit in the United States mail of such notice or communications to the parties entitled hereto, registered or certified mail, postage prepaid, to the parties at the following address (or to such other addresses as are designated in writing to all parties):

**To:**  
**Address:**

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**Phone Number:**

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**To:**  
**Address:**

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**Phone Number:**

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**Copy to:**  
**Address:**

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**Phone Number:**

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H. **MISCELLANEOUS**

1. **References.** A reference in this Agreement to HIPAA, the Privacy Standards, or the Security Standards means the law or regulation as in effect on the Effective Date or as subsequently amended, and for which compliance is required.
2. **Amendment.** The parties agree to take the action necessary to amend this Agreement from time to time so that ADHS Covered Component may comply with the requirements of HIPAA.
3. **Survival.** The obligations of Business Associate under this Agreement shall survive the termination of this Agreement and of the underlying Service Agreement(s) to the extent required by Section F(2)(c).
4. **Effect on Service Agreement(s).** Except as specifically required to implement the purposes of this Agreement, or to the extent not consistent with this Agreement, all provisions of the underlying Service Agreement(s) shall remain in force and effect.

<p>Contractor hereby acknowledges receipt and acceptance hereby of this HIPAA Agreement and that a signed copy must be filed with the Procurement Office.</p> <p>_____ Signature                      Date</p> <p>_____ Authorized Signatory's Name and Title:</p> <p>_____ Contractor's Name</p>	<p>The above referenced HIPAA Agreement is executed this _____ day of _____ 20____</p> <p>Arizona Department of Health Services.</p> <p>_____ Procurement Officer</p>
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	<b>CERTIFICATE OF INSURANCE</b> <b>Exhibit A</b>	<b>ARIZONA DEPARTMENT OF HEALTH SERVICES</b> 1740 W. Adams, Room 303 Phoenix, Arizona 85007 (602) 542-1040 (602) 542-1741 Fax		
<b>Solicitation No: HQ841054</b>				
PRIOR TO COMMENCING SERVICES UNDER THIS CONTRACT, THE CONTRACTOR MUST FURNISH THE DEPARTMENT, CERTIFICATION FROM INSURER(S) FOR COVERAGES IN THE MINIMUM AMOUNTS AS STATED BELOW, THE COVERAGES SHALL BE MAINTAINED IN FULL FORCE AND EFFECT DURING THE TERM OF THIS CONTRACT, AND SHALL NOT SERVE TO LIMIT ANY LIABILITIES OR ANY OTHER CONTRACTOR OBLIGATIONS				
NAME AND ADDRESS OF INSURANCE AGENCY	A	COMPANY LETTER	COMPANIES AFFORDING COVERAGE	
	B			
Name And Address of Insured	C			
	D			
This is to certify that the policies of insurance listed below have been issued to the insured named above and are in force at this time				
Company Letter	Type of Insurance	Policy Number	Policy Expiration Date	Limits of Liability Minimum – Each Occurrence
	<input type="checkbox"/> Comprehensive General Liability <input type="checkbox"/> Premises Operations <input type="checkbox"/> Contractual <input type="checkbox"/> Independent Contractors <input type="checkbox"/> Products/Completed Operations <input type="checkbox"/> Personal Injury <input type="checkbox"/> Broad Form Property Damage <input type="checkbox"/> Explosion & Collapse (If Applicable) <input type="checkbox"/> Underground Hazard (If Applicable)			
	<input type="checkbox"/> Comprehensive Auto Liability Including Non-Owned (If Applicable)			
	<input type="checkbox"/> Umbrella Liability			
	<input type="checkbox"/> Workmen's Compensation and Employer's Liability			
	<input type="checkbox"/> Other			
State of Arizona and the Department named above are added as additional insured as required by statute, Contract, purchase order or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.		It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the State without thirty (30) days written notice to the State. THIS CERTIFICATE IS NOT VALID UNLESS COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE INSURANCE COMPANY.		
Name and Address of Certificate Holder:				
Date Issued _____				
_____ Authorized Representative				